

FISCAL UPDATE Article

Fiscal Services Division

May 14, 2018



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Des Moines, Iowa 50319

515.281.3566

END OF SESSION — SF 2117 — FY 2018 BUDGET ADJUSTMENT ACT

Funding Summary. [Senate File 2117](#) took effect on March 28, 2018. The Act reduced FY 2018 General Fund appropriations by a net total of \$23.3 million (0.3%). The changes included reductions of \$25.5 million and increases of \$2.2 million. The Act also deappropriated \$10.0 million from an FY 2018 Iowa Skilled Worker and Job Creation Fund (SWJCF) appropriation for the High Quality Jobs Program, and transferred the \$10.0 million to the General Fund.

The table below summarizes the appropriation adjustments enacted in [SF 2117](#). The Act did not make changes to appropriations totaling \$5.069 billion, including State School Aid and Medicaid.

SF 2117 - General Fund Appropriation Adjustments				
(Dollars in Millions)				
	Estimated FY 2018	SF 2117 FY 2018	Est Net FY 2018	Percent Change
<u>Deappropriations</u>				
Board of Regents	\$ 565.4	\$ -10.9	\$ 554.4	-1.9%
Department of Human Services	407.2	-4.3	402.9	-1.1%
Department of Corrections	377.8	-3.4	374.4	-0.9%
Judicial Branch	175.7	-1.6	174.1	-0.9%
Department of Education	67.6	-0.8	66.8	-1.2%
Department of Public Health	51.4	-0.7	50.7	-1.3%
Department of Revenue	15.7	-0.5	15.2	-3.4%
Community Colleges	201.2	-0.5	200.7	-0.2%
Attorney General	14.0	-0.4	13.6	-2.7%
Legislative Branch	31.9	-0.3	31.6	-0.9%
State Public Defender	26.2	-0.2	25.9	-0.9%
Department of Public Safety	95.1	-0.2	94.9	-0.2%
Other Agencies	143.4	-1.6	141.8	-1.1%
Subtotal Deappropriations	<u>\$ 2,172.3</u>	<u>\$ -25.5</u>	<u>\$ 2,146.9</u>	<u>-1.2%</u>
<u>Supplemental Appropriations</u>				
State Public Defender	\$ 33.4	\$ 1.7	\$ 35.1	5.1%
Dept. of Administrative Services - Utilities	2.4	0.5	2.9	18.5%
Subtotal Supplemental Appropriations	<u>\$ 35.9</u>	<u>\$ 2.2</u>	<u>\$ 38.0</u>	<u>6.0%</u>
<u>Other</u>				
State Foundation School Aid	\$ 3,179.6	\$ 0.0	\$ 3,179.6	0.0%
Dept. of Human Services - Medicaid	1,284.4	0.0	1,284.4	0.0%
Other General Fund Appropriations	605.3	0.0	605.3	0.0%
Subtotal Other Appropriations	<u>\$ 5,069.4</u>	<u>\$ 0.0</u>	<u>\$ 5,069.4</u>	<u>0.0%</u>
Total Appropriation Adjustments	<u>\$ 7,277.6</u>	<u>\$ -23.3</u>	<u>\$ 7,254.3</u>	<u>-0.3%</u>
NOTE: Numbers may not equal totals due to rounding.				

Other Provisions.

Disproportionate Share Hospitals: The Act required Broadlawns Hospital and the University of Iowa Hospitals and Clinics (UIHC) to fund the non-federal share for both the Disproportionate Share Hospital (DSH) Program and the Graduate Medical Education (GME) Program. This change was effective May 1, 2018. This change is estimated to save the State \$1.4 million in FY 2018 and \$8.2 million annually in subsequent fiscal years by shifting the responsibility for providing the non-federal share of the match to the UIHC and Broadlawns Hospital.

Economic Emergency Fund Contingent Appropriation: The Act established a contingent appropriation from the Economic Emergency Fund of up to 1.0% of the adjusted revenue estimate for the purpose of eliminating a year-end deficit in the General Fund. One percent of the adjusted revenue estimate in FY 2018 would be equal to \$73.7 million. For this appropriation to become effective, the following conditions must be met:

- The balance in the General Fund at the end of the fiscal year is negative.
- The Governor issues an official proclamation and notifies the Legislative Fiscal Committee and the Legislative Services Agency (LSA) that the balance in the General Fund is negative.

This provision amends current statute that allows up to \$50.0 million to be appropriated from the Economic Emergency Fund if there is a year-end deficit of the General Fund under certain conditions.

Fiscal Year 2017 Economic Emergency Fund Appropriation: The Act provided a \$13.0 million appropriation from the Economic Emergency Fund to the General Fund to replace the Economic Emergency Fund standing appropriation implemented on September 28, 2017, to eliminate an FY 2017 General Fund deficit.

Enactment Date. The Act was approved by the General Assembly on March 21, 2018, and signed by the Governor on March 28, 2018.

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